

# Unico Inc



OTC BB Trading Symbol: UCOI

www.unicominer.com

## Unico, Inc. Receives Financing Commitment to Exercise Purchase Option on the Deer Trail Mine

June 2007  
Newsletter

### Ownership of Deer Trail Mine Property Expected to Transfer from Crown Mines LLC in Early June

Unico, Incorporated, a publicly traded natural resource company in the precious metals mining sector (stock symbol: UCOI), has received a financing commitment for \$1.7 million for the purpose of exercising the lease buy-out option on the Deer Trail Mine.

As of the May 21, 2007 date of its announcement, the Company had received \$800,000 of this financing commitment in the form of a private placement investment.

The terms of the modified lease and option to purchase agreement for the Deer Trail Mine with Crown Mines, LLC, agreed to in April 2007, included an extension of the final payment due date for the remaining \$1.7 million to purchase the Deer Trail Mine lease from January 31, 2007 to May 31, 2007.

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The April 2007 modified lease and option to purchase agreement also included an additional \$300,000 payment made to Crown Mines LLC and applied to the total purchase price of the lease buy-out option. In early September 2004, Unico made a payment of \$1,000,000 to Crown Mines, and an additional \$1,000,000 were made in subsequent payments since November 1, 2006, leaving a final balance of \$1,700,000 to fully exercise the purchase option of the lease.

"Securing the Deer Trail Mine as a long-term asset for both the company and its shareholders has been a high priority for the company, and we are pleased to have received a commitment for the entire remaining amount owed on the purchase option of the lease in advance of the due date," said Mark A. Lopez, chief executive officer of Unico, Inc.

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#### About Unico, Incorporated

Unico, Inc. (OTC BB: UCOI) is a publicly traded natural resource company in the precious metals mining sector that is focused on the exploration, development and production of gold, silver, lead, zinc, and copper concentrates at its three mine properties: the Deer Trail Mine, the Bromide Basin Mine and the Silver Bell Mine. The Company has also announced agreements to acquire over 70 additional mining claims. For more information, please visit the Company's website, [www.unicominer.com](http://www.unicominer.com).

#### Recent News

5/31/2007

*Unico Files 8-K Reporting Appointment of New Director*

5/29/2007

*Unico Announces Master Electrical Services Agreement to Meet Power Requirements at the Deer Trail Mine*

5/21/2007

*Unico Announces \$1.7 Million Financing Commitment to Exercise Purchase Option on the Deer Trail Mine*

5/18/2007

*Unico Adds New Photo Gallery Showing Additional Reconstruction Progress at the Mill and Processing Facility at the Deer Trail Mine*

5/17/2007

*Unico Announces Additional Reconstruction Progress at the Mill and Processing Facility at the Deer Trail Mine*

5/15/2007

*Unico Posts New Photo Gallery Showing Delivery and Installation of Main Transformer for Electrical Substation at the Deer Trail Mine*

5/14/2007

*Unico Announces Delivery and Installation of Main Transformer for Electrical Substation at the Deer Trail Mine*

5/10/2007

*Unico Announces New Photo Gallery of Work on Electrical Substation That Will Supply Power to the Deer Trail Mine*

5/9/2007

*Unico Announces Electrical Contractor to Assist With New Substation and Connections for Power Supply to the Deer Trail Mine*

5/7/2007

*Unico Releases May 2007 Monthly Investor Newsletter*

## Final Agreement with Rocky Mountain Power Reached to Meet All Power Requirements at Deer Trail Mine

Unico's wholly owned subsidiary, Deer Trail Mining Company, LLC, has entered into a Master Electrical Services and Facilities Improvements Agreement with electricity producer Rocky Mountain Power to meet all power and energy requirements at the Deer Trail Mine in Marysvale, Utah.

Included in the agreement is pricing for the supply of electrical power during both on-peak and off-peak hours and a design schematic showing the details of the planned interconnection between the existing Rocky Mountain Power substation and the new electrical substation currently being constructed at the Deer Trail Mine site.

Construction of the new substation is being undertaken with the assistance of Cache Valley Electrical (website: <http://www.cve.com/>), one of the largest electrical contractors in the western United States.

Upon executing the agreement, Deer Trail Mining Company also made a payment of \$24,481.50 as an advance on the improvements to the new substation.

Under terms of the agreement, the improvements include the installation of fuses for proper protection coordination, a transmission interconnection to the new substation, the installation of a one-way gang operated airbreak switch for a single disconnect point for both substations, and installation of secondary metering for the new delivery point with a communication link.

Deer Trail Mining Company made a previous payment of \$25,000 under its Engineering Services Agreement with Rocky Mountain Power, and this amount will be applied toward the balance due on the improvements to the new substation.

The agreement has a 10-year term following the completion date of the improvements and Rocky Mountain Power's initial delivery of electrical power to the Deer Trail Mine substation facility.

A feasibility study contracted by Deer Trail Mining Company and conducted by Rocky Mountain Power, determined that up to 2.5 megawatts of power could be supplied to the Deer Trail Mine through the new substation. An estimated 1.5 megawatts is needed to run the mill and processing facility at the Deer Trail Mine, and the excess power capacity would allow for future upgrades to the system to include power for mining at the Deer Trail property or other Unico claims in the area.

"This agreement for master electrical services and facilities improvements is a significant step in the completion phase of the connections necessary to power the mill and processing facility, and we are pleased to have signed this contract with Rocky Mountain Power," said Unico CEO Mark A. Lopez.

"One of the primary reasons for the construction of a new electrical substation at the Deer Trail Mine was that the company would incur significantly reduced

power costs as a result, and the pricing schedule for electricity included in this agreement certainly justifies our efforts to build the new substation. We look forward to the completion of the substation and the interconnections required for the operation of the mill and processing facility at the Deer Trail Mine," added Mr. Lopez.

**The Main Transformer for the New Substation Has Been Installed (story on page 4)**



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## Equipment Purchased for Use at the Deer Trail Mine

Several pieces of equipment have been purchased for use at the Deer Trail Mine in Marysvale, Utah. Photographs of the recently purchased equipment, including the delivery of two of the pieces, have been added to a new photo gallery on the company's website.

A 1997 tandem axle semi tractor built by Western Star was purchased by the company, and it is expected to be delivered to the Deer Trail Mine in the coming days. The tractor has a Caterpillar 455 horsepower motor and double encased frame rails. The truck is built for heavy hauling, both off highway and on. It will be used for moving equipment from one location to another as needed. The company intends to acquire a 25-ton side dump trailer to move material from the upper mine dumps to the screening plant and from the screening plant to the mill and processing facility at the Deer Trail Mine.



The company also purchased a Toyota 4,300 pound forklift with a three-stage mast capable of reaching 17 feet. The forklift, which has been delivered and is in use to assist with the reconstruction work at the Deer Trail Mine site, will also

be used inside the mill to move the floatation concentrate and other materials needed to operate the mill.

A Ferree LT35 equipment trailer was purchased and delivered to the Deer Trail Mine. This trailer will be used to transport the Cat Loader, Case Excavator and Cat D-7 dozer to and from the mine and mill sites at the Deer Trail Mine.

# Reconstruction Work Continues at the Deer Trail Mine Mill and Processing Facility

*Photographs Showing the Reconstruction Progress Added to Unico's Website*

Reconstruction of the mill and processing facility at the Deer Trail Mine in Marysvale, Utah continued throughout the month of May with the delivery of several important pieces of equipment and progress on the thickener in the new mill building reported.

A new photo gallery showing the additional mill facility reconstruction work was added Unico corporate web site, [www.unicomining.com](http://www.unicomining.com), after the reconstruction announcement.



**Krebs Cyclone Delivered to the Deer Trail Mine**

The Krebs Cyclone ([www.krebs.com](http://www.krebs.com)), used for the classification of ores processed through the ball mill, has been delivered to the site for installation in the main mill building.

The Krebs Cyclone is expected to increase efficiency of the grinding circuit. Its primary function will be to indicate whether the ore is too coarse and must be recycled back through the ball mill.

Also delivered to the Deer Trail Mine was the conveyor belt scale, which will be utilized in quality control measures to meter the weight of the ore going into the ball mill and will give readings of tons of material processed per hour and pounds of material processed per minute.



**Delivery of Thickener Tank's Rolled Steel Walls**

The rolled steel used for the walls of the WesTech 40-foot thickener, which will primarily be used to thicken tailings, have been delivered to the site and installation of the walls has begun in the new mill building.



**Installation of Rolled Steel Walls for Thickener Tank**

The thickener bridge-deck, which holds the thickener mechanism and rakes is also on site and will be installed in conjunction with the walls of the thickener.



**Trench from Upper Water Holding Pond to Mill Facility**

A new trench has been dug from the upper water holding pond where a pipeline will be installed to carry water for the floatation circuit and other processes at the mill and processing facility.



**A Power Light Indicates Testing of Equipment Installed in the Main Mill Building**

Additional wiring, conduit and stop/start controls have been connected and several low voltage items in the main mill building are being tested using generator power.

A crew is conducting a survey of the property lines of the Deer Trail project, so that all boundaries are firmly established and recorded as the company moves forward with future processing and mining activities at the property.

"Several members of Unico management visited the Deer Trail Mine this week, and we

were able to view the recent progress and ongoing work at the mill and processing facility firsthand," stated Unico CEO Mark A. Lopez.

"We continue to be very pleased with the progress of the reconstruction project and look forward to additional work that is anticipated over the next several weeks, since so much additional progress is expected during this period."

The photo gallery included with this reconstruction update was the first to show pictures of members of Unico management, including Mr. Lopez and Unico chief financial officer Ken Wiedrich, reviewing progress at the Deer Trail Mine.

## Forward-Looking Statements

This newsletter may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and such Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are subject to risks and uncertainties that could cause actual results to vary materially from those projected in the forward-looking statements. The company may experience significant fluctuations in operating results due to a number of economic, competitive and other factors. These factors could cause operation results to vary significantly from those in prior periods, and those projected in forward-looking statements. Information with respect to these factors, which could materially affect the company and its operations, are included on certain forms the company files with the Securities and Exchange Commission.

## Main Transformer for New Substation at the Deer Trail Mine is Delivered and Installed at the Site

On May 14, 2007, Unico, Inc. announced the delivery and installation of the main transformer for the new electrical substation at the mill and processing facility at the Deer Trail Mine in Marysville, Utah. The Company also posted a photo gallery showing the delivery and installation of the main transformer, as well preparation of the site before its delivery.

The General Electric transformer was purchased in January 2007 from Denver Magnetic, Inc. The primary voltage of the transformer is 46,000 volts, which will be provided to the Deer Trail Mine from PacifiCorp, which operates in the state of Utah as Rocky Mountain Power.



**The Cement Pad is Prepared at the Substation Site**



**The Main Transformer is Maneuvered Into Place**

including larger crushing equipment, an additional ball mill and power to operate mining activities as needed.

The concrete pad for the main transformer had been poured and was sufficiently cured in time to set before the delivery of the transformer to the substation site.

Electrical contractor Cache Valley Electrical (<http://www.cve.com/>) assisted with the installation of the grounding circuit, 4-inch conduit and smaller conduits, which were also installed prior to pouring the concrete pad where the main transformer for the substation was mounted.



In addition to the new Deer Trail Mine substation work, Cache Valley Electrical is assisting with the installation of electrical conduits, controls and wiring inside the mill buildings (See accompanying story).

With the main transformer now in place, additional work on the substation is being undertaken, including fencing, installation of the metering station and

switchgear, and installation of the power poles. Once that work is completed, Rocky Mountain Power will supply the connection to the substation.

The design and completion of the new substation is expected to provide substantial cost savings for Unico's wholly owned subsidiary, Deer Trail Mining Company, as a result of lower energy costs and greater reliability.

"The delivery and installation of the main transformer is a critical element of the construction of the new substation, and we look forward to completing the remaining work at the substation so that the power requirements of the Deer Trail Mine can be met," commented Mark A. Lopez, chief executive officer of Unico, Inc.

"With the reconstruction of the mill and processing facility in the completion stage, having sufficient power for processing operations has never been more critical, and this progress at the substation bring us a step closer to that goal," he added.

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## Electrical Contractor Selected for Deer Trail Mine Project

Unico's wholly owned subsidiary, Deer Trail Mining Company, LLC, has selected Cache Valley Electric, one of the largest electrical contractors in the western United States, to assist with the construction of the new system that will supply electrical power to the mill and processing facility at the Deer Trail Mine in Marysville, Utah.

Included in the work that Cache Valley Electric (<http://www.cve.com/>) is performing for Deer Trail Mining Company is preparation of the site for the new substation, assistance with construction of the substation and the subsidiary substation, and installation of electrical conduits, controls and wiring for the mill facility.

Photographs of additional site preparation and initial construction related to the electrical substation have been added to the Unico website.

Cache Valley Electric (CVE) provides high-quality electrical services for a wide range industrial, enterprise, transportation, government and special projects as well as technology services like teledata, networking, and wireless communications. Since 1915, CVE has been committed to a tradition of excellence, and for eight of the past ten years, CVE has received the Intermountain Electrical Association's "Outstanding Large Electrical Contractor" award.

Since Cache Valley Electric arrived at the Deer Trail Mine, they have installed the grounding circuit for the main substation including sixteen 10-foot by 5/8-inch copper grounding rods and over 1,200 feet of 4/0

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## C. Wayne Hartle Appointed to Serve on the Board of Directors of Unico, Inc.

*Mr. Hartle, Who Previously Served as Director, Replaces Richard Belliston*

C. Wayne Hartle has been appointed to the Company's Board of Directors to replace former director Richard Belliston.

Mr. Hartle, who currently serves as the Secretary of the Company and will continue in that capacity, previously served on Unico's Board of Directors from 1990 until July 2004.

Details of the Board changes can be found in a Current Report on Form 8-K filed with the Securities and Exchange Commission on May 30, 2007.

Effective May 23, 2007, Mr. Belliston resigned from Unico's Board of Directors for personal reasons, and his resignation letter was included as an exhibit in the 8-K filing.

"We thank Richard Belliston for his service to the Company as a member of the Board and wish him all the best in his future endeavors," said Mark A. Lopez, chief executive officer of Unico, Inc.

"We are pleased to have Wayne Hartle added to the Board at such an important stage in the Company's development, and believe that his previous experience with Unico, both as a Board member and as its Secretary, will strengthen the company from an internal control perspective," he added.

Unico has also filed a Form 12b-25 Notice of Late Filing with the Securities and Exchange Commission with respect to its Annual Report on Form 10-KSB for the year ended February 28, 2007. The Company expects to file its annual report within the 15-day extension period granted by the Form 12b-25 notice.

"Within the past several months, we have initiated the transition from utilizing outside consultants to assist with the completion of our periodic financial filings, including the quarterly and annual reports, to house the majority of that work inside the company and under the responsibility of Ken Wiedrich, our chief financial officer," Mr. Lopez commented.

"This effort has been comprehensive and has included several changes to strengthen the internal infrastructure of the company to prepare not only for the current needs, but to provide for expanded capabilities to handle an additional workload with increasing activity and operations in its subsidiary businesses," he stated.

"While this transition has created a brief delay in filing our 2007 annual report, we do expect the 10-KSB to be filed within the extension timeline. We also believe that the company will be well prepared to meet future deadlines for filing our financial reports as a result of these beneficial changes," added Mr. Lopez.

## Electrical Contractor is Chosen to Assist with Work at the Deer Trail Mine

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copper wire. The ground circuit and main substation was designed by BNA Consulting, which has contracted with Deer Trail Mining Company, Inc. for a broad range of engineering services related to the construction of the substation, with additional tap off points for future growth to include company housing and additional office space.

Cache Valley Electric will assist with the installation of the subsidiary substation used to reduce the voltage from 12,470 volts to the 480 volts needed to operate the milling facility. They will also be utilized for their knowledge and installation experience in surveillance camera networking. This will help lower the cost of labor and gives Deer Trail Mining Company more control over individual mill components.

CVE will also be utilized for the final ground continuity and resistance testing required by Mine Safety and Health Association (MSHA) before the mill goes into operation, and they will evaluate areas of automation that can help to lower labor costs.

"Cache Valley Electric has already made significant contributions to the site preparation and initial construction of the new electrical substation that will supply power to the mill and processing facility at Deer Trail Mine, and we look forward to their continuing work at the site," said Mark A. Lopez, CEO of Unico, Inc.

"Beyond work on the main substation and subsidiary substation, Cache Valley Electric will assist with the wiring and electrical connections inside of the mill buildings so that processing operations can be initiated as soon as possible, moving us that much closer to establishing revenues at the Deer Trail Mine."

The design and completion of the new substation is expected to provide substantial cost savings as a result of lower energy costs.

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## Unico Receives Financing Commitment for Purchase of Deer Trail Mine Lease

(continued from page 1)

"As our shareholders are well aware, the Deer Trail Mine has been a focal point for developing revenues and long-term value through the company's subsidiary operations. These efforts have included the reconstruction of the mill and processing facility at the Deer Trail Mine and exploratory drilling programs, particularly the underground diamond core drilling program conducted at the Deer Trail Mine in 2005," Mr. Lopez said.

"With activities of such significance centered around the Deer Trail Mine, meeting the terms of the modified lease and option to purchase agreement with Crown Mines has been an important focus, and we look forward to making the final payment by May 31st," Mr. Lopez added.